LOUISIANA BANKS AND THRIFTS FINANCIAL REPORT

For the Quarter Ended
March 31, 2005

STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS

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LOUISIANA BANKING INDUSTRY FINANCIAL CONDITION AS OF MARCH 31, 2005

Total assets in Louisiana banks increased by 2.95 percent during the first quarter of 2005, from $54.92 billion to $55.30 billion. All major asset categories increased during the quarter except securities. Cash increased from $1.86 billion to $1.88 billion, or by 1.56 percent. Total loans and leases increased from $36.53 billion to $36.91 billion, or by 1.06 percent. Federal funds sold increased from $1.19 billion to $1.20 billion, or by 0.59 percent. Total securities decreased from $12.41 billion to $12.34 billion, or by 0.53 percent. On the liabilities side, total deposits increased from $44.09 billion to $44.86 billion, or by 1.73 percent, while borrowed money decreased from $4.97 billion to $4.71 billion, or by 5.29 percent.

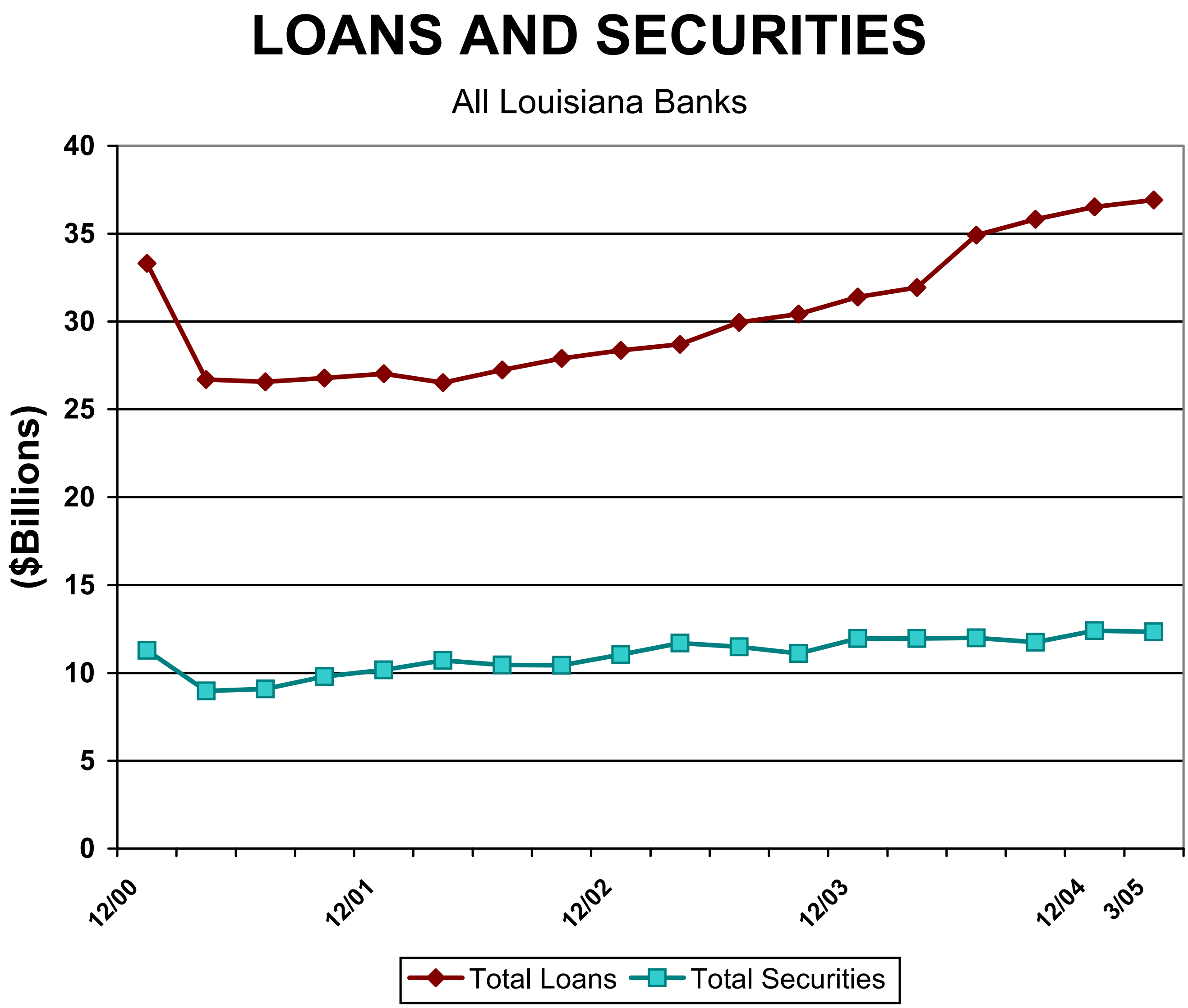
A chart of selected performance indicators of Louisiana banks for the quarters ended March 31, 2005, and December 31, 2004; and for calendar years 2004 and 2003, is as follows:

	Quarter Ended 3/31/2005	Quarter Ended 12/31/2004	Year Ended 12/31/2004	Year Ended 12/31/2003
Yield on Earning Assets	5.79% ↑	5.69%	5.61% ↓	5.85%
Cost of Funds	1.52% ↑	1.41%	1.28% ↓	1.43%
Net Interest Margin	4.31% NC	4.31%	4.35% ↓	4.44%
Loan Loss Provisions to Average Assets	0.23% ↓	0.24%	0.21% ↓	0.25%
Operating Expenses to Average Assets	3.22% ↓	3.28%	3.27% ↓	3.31%
Return on Average Assets	1.34% ↑	1.24%	1.31% ↓	1.33%
Nonperforming Assets to Total Assets	0.49% ↓	0.51%	0.51% ↓	0.57%
Net Chargeoffs to Total Loans	0.27% ↓	0.33%	0.27% ↓	0.34%
Tier 1 Capital to Total Assets	8.51% ↑	8.39%	8.39% ↓	8.63%
Earning Assets to Total Assets	91.24% ↓	91.27%	91.27% ↑	90.74%
Loans to Deposits	82.29% ↓	82.84%	82.84% ↑	80.19%

The aggregate return on average assets increased during the first quarter of 2005, and Louisiana banks continued to show solid earnings as a result of satisfactory net interest margins, stable and controlled operating expenses, and low provisions for loan losses. In addition, earnings continue to augment a sound capital base. Asset quality remains satisfactory, as demonstrated by a manageable level of nonperforming assets and stable net chargeoffs.

As previously mentioned, total loans and leases increased by 1.06 percent during the first quarter of 2005, from $36.53 billion to $36.91 billion. Total loans and leases have increased in 36 of the past 45 quarters. Increases during the quarter were noted in real estate loans, consumer loans, and farm loans, while decreases were noted in commercial loans and other loans. The largest increase was in real estate loans, which increased from $22.58 billion to $23.03 billion, or by $453 million. Consumer loans increased from $5.33 billion to $5.37 billion, or by $45 million. Farm loans increased from $316 million to $332 million, or by $16 million. Commercial loans decreased from $7.59 billion to $7.53 billion, or by $65 million. Other loans decreased from $719 million to $656 million, or by $63 million.

Figure 1 demonstrates the trend in total loans and leases, and securities, since year-end 2000. Figure 2 demonstrates the composition in the loan portfolio mix at March 31, 2005.



LOANS AND SECURITIES
All Louisiana Banks
($Billions)
40
35
30
25
20
15
10
5
0
12/00
12/01
12/02
12/03
12/04
3/05
Total Loans
Total Securities

Figure 1

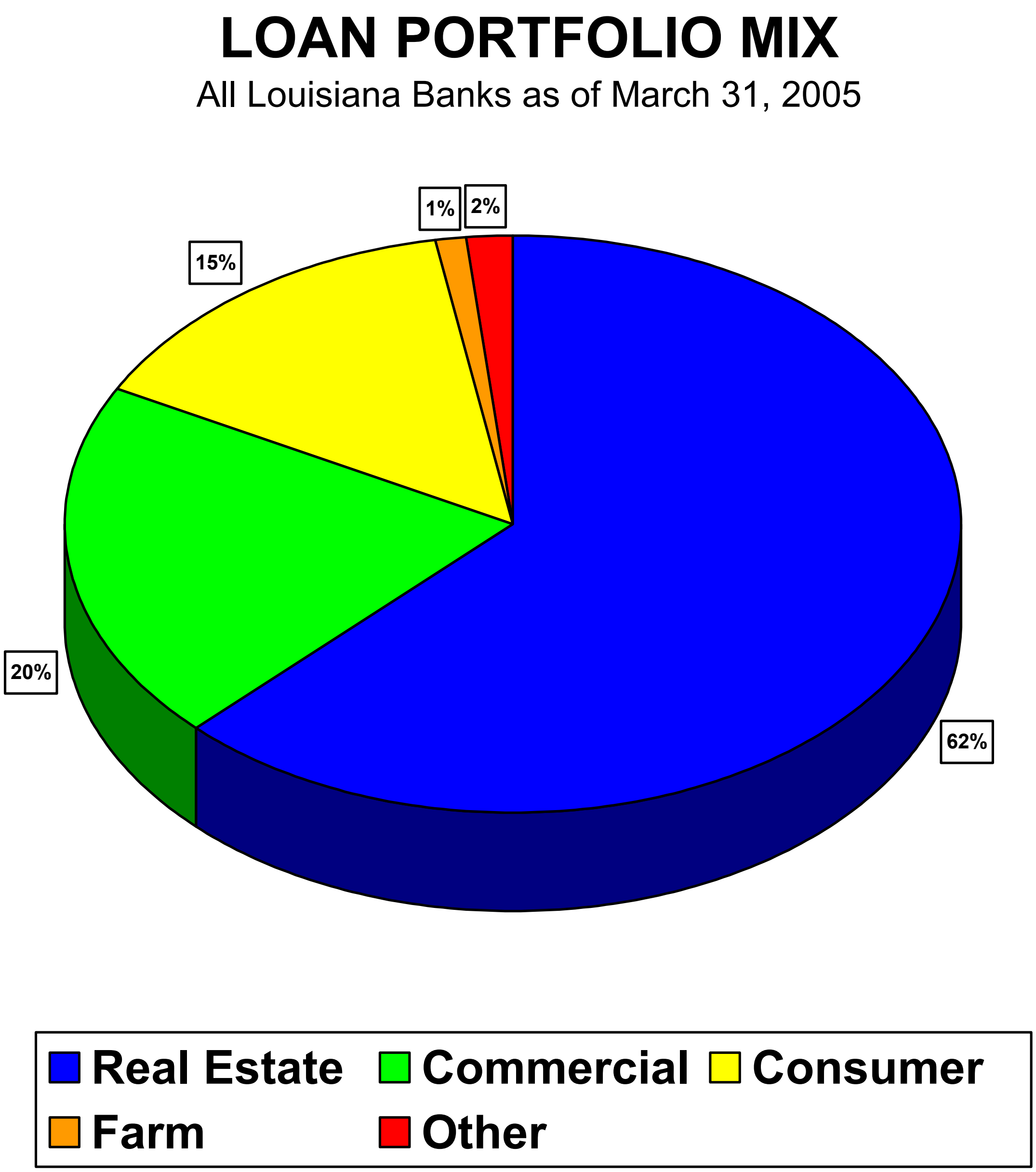

LOAN PORTFOLIO MIX
All Louisiana Banks as of March 31, 2005
1%
2%
15%
20%
62%
Real Estate
Commercial
Consumer
Farm
Other

Figure 2

The ratio of loans to deposits decreased during the first quarter of 2005, from 82.84 percent as of December 31, 2004, to 82.29 percent as of March 31, 2005, as total deposits increased more than total loans. Figure 3 illustrates the aggregate loan to deposit ratio trend since year-end 2000.

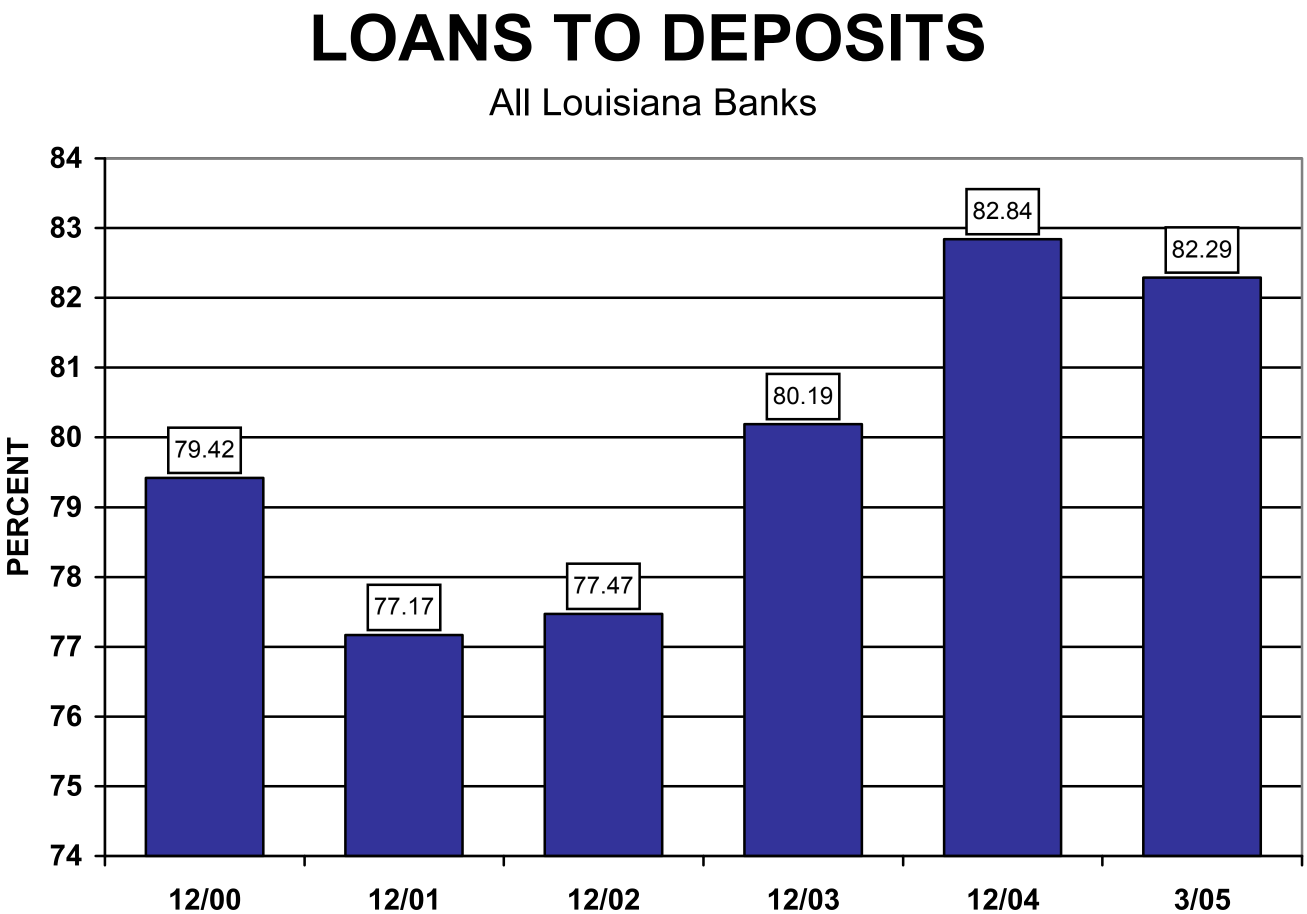


Figure 3

On the liabilities side, total deposits increased from $44.09 billion to $44.86 billion, or by 1.73 percent, while borrowed money decreased from $4.97 billion to $4.71 billion, or by 5.29 percent. Core deposits increased from $36.68 billion to $37.04 billion, or by 0.98 percent. Figure 4 shows the mix of deposits and borrowed money since year-end 2000.

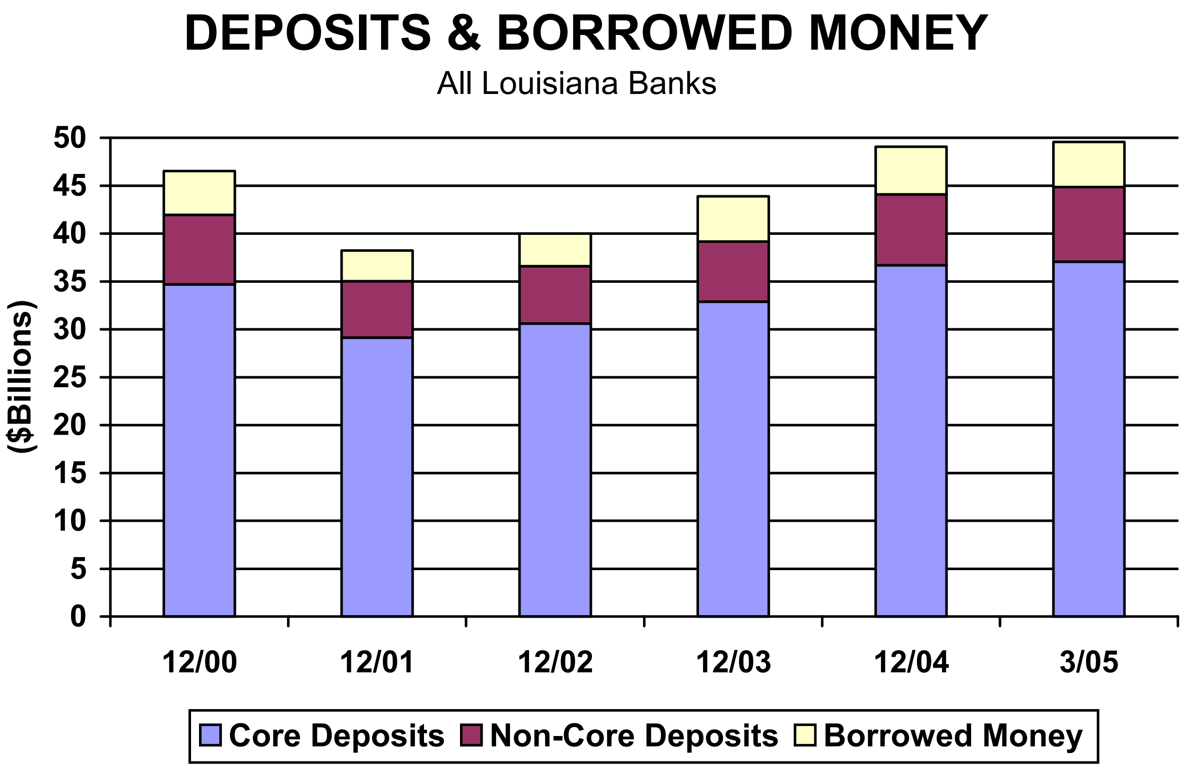


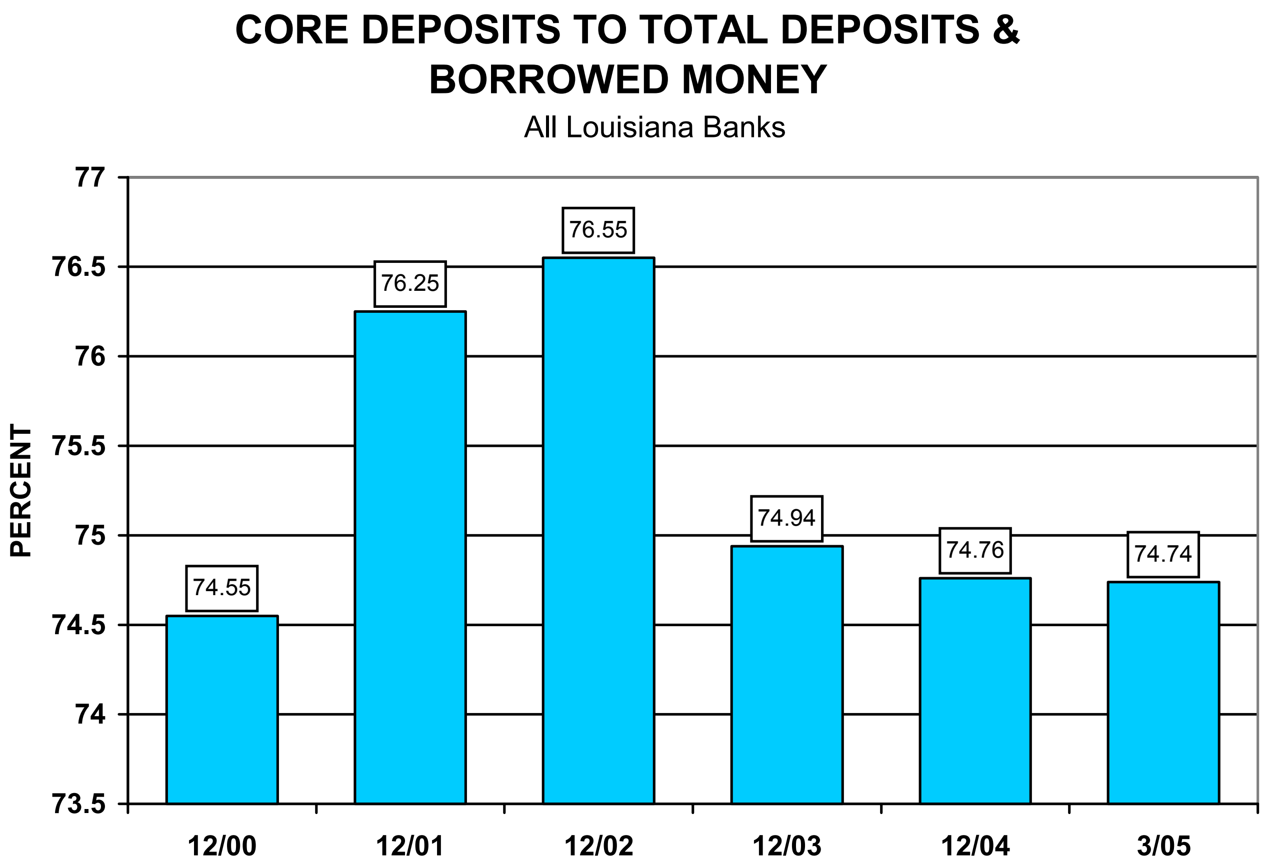
Figure 4

Borrowed money decreased during the first quarter of 2005. As of March 31, 2005, borrowed money totaled $4.71 billion and consisted of Federal Home Loan Bank (FHLB) advances totaling $2.98 billion, federal funds purchased totaling $1.57 billion, and other borrowings totaling $155 million. As of December 31, 2004, borrowed money totaled $4.97 billion and consisted of FHLB advances totaling $3.22 billion, federal funds purchased totaling $1.47 billion, and other borrowings totaling $275 million.

Non-core deposits increased during the first quarter of 2005. As of March 31, 2005, non-core deposits totaled $7.82 billion and consisted of time deposits exceeding $100,000 totaling $6.52 billion and deposits in foreign offices totaling $1.30 billion. As of December 31, 2004, non-core deposits totaled $7.41 billion and consisted of time deposits exceeding $100,000 totaling $6.11 billion and deposits in foreign offices totaling $1.30 billion.

The ratio of core deposits to total deposits and borrowed money decreased slightly during the first quarter of 2005, from 74.76 percent as of December 31, 2004, to 74.74 percent as of March 31, 2005. However, the core deposit ratio has increased in eleven of the last sixteen quarters. Figure 5 illustrates the trend in the core deposits to total deposits and borrowed money ratio since year-end 2000.

Figure 5



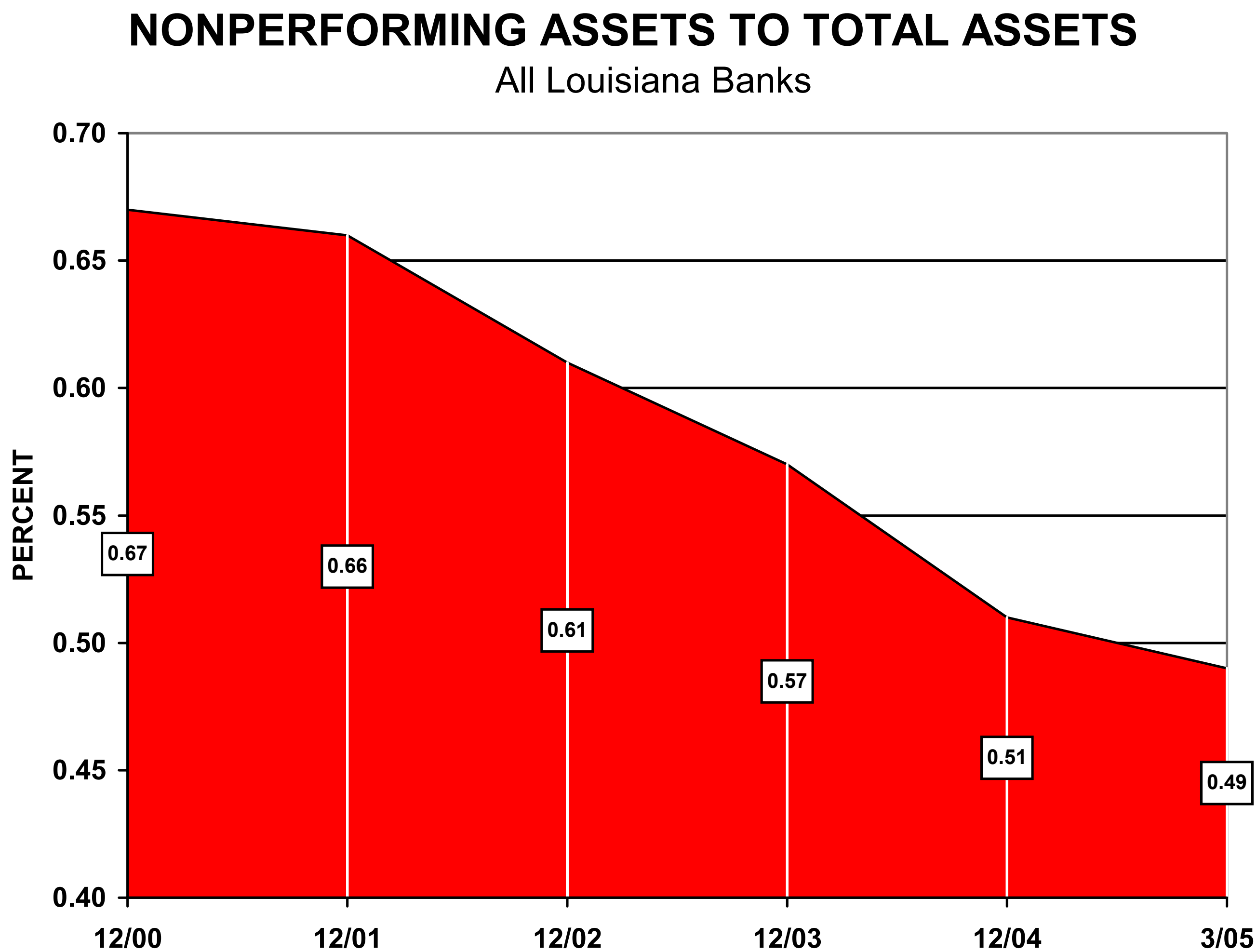


Figure 6

The volume of problem assets decreased during the first quarter of 2005, from $282 million as of December 31, 2004, to $273 million as of March 31, 2005, or a decrease of 3.19 percent. However, problem assets have increased in 17 of the past 31 quarters. The percentage of problem assets to total assets decreased from 0.51 percent as of December 31, 2004, to 0.49 percent as of March 31, 2005. Figure 6 illustrates that the ratio of nonperforming assets to total assets has declined slowly but steadily since 2000, as the total asset growth rate has exceeded the nonperforming asset growth rate.

The aggregate of noncurrent loans (loans past due 90 days or more and accruing interest plus nonaccrual loans) decreased from $241 million as of December 31, 2004, to $234 million as of March 31, 2005, or by 3.32 percent. The ratio of noncurrent loans to total loans decreased from 0.66 percent as of December 31, 2004, to 0.63 percent as of March 31, 2005. Other real estate owned decreased from $41 million as of December 31, 2004, to $39 million as of March 31, 2005.

Net chargeoffs decreased during the first quarter of 2005, from $30 million to $25 million. The ratio of net chargeoffs to total loans decreased from 0.33 percent as of December 31, 2004, to 0.27 percent as of March 31, 2005. Net chargeoffs totaled $97 million for calendar year 2004.

Loan loss reserves increased from $505 million as of December 31, 2004, to $514 million as of March 31, 2005. The ratio of loan loss reserves to total loans increased slightly from 1.38 percent as of December 31, 2004, to 1.39 percent as of March 31, 2005. Since year-end 2000, this ratio has fluctuated somewhat but trended downward, as follows: 1.61 percent as of December 31, 2000; 1.60 percent as of December 31, 2001; 1.63 percent as of December 31, 2002; 1.52 percent as of December 31, 2003; and 1.38 percent as of December 31, 2004. Loan loss provisions totaled $31 million during the first quarter of 2004, or 0.23 percent of average assets, as compared to $32 million, or 0.24 percent of average assets, for the previous quarter. Loan loss provisions totaled $109 million for calendar year 2004.

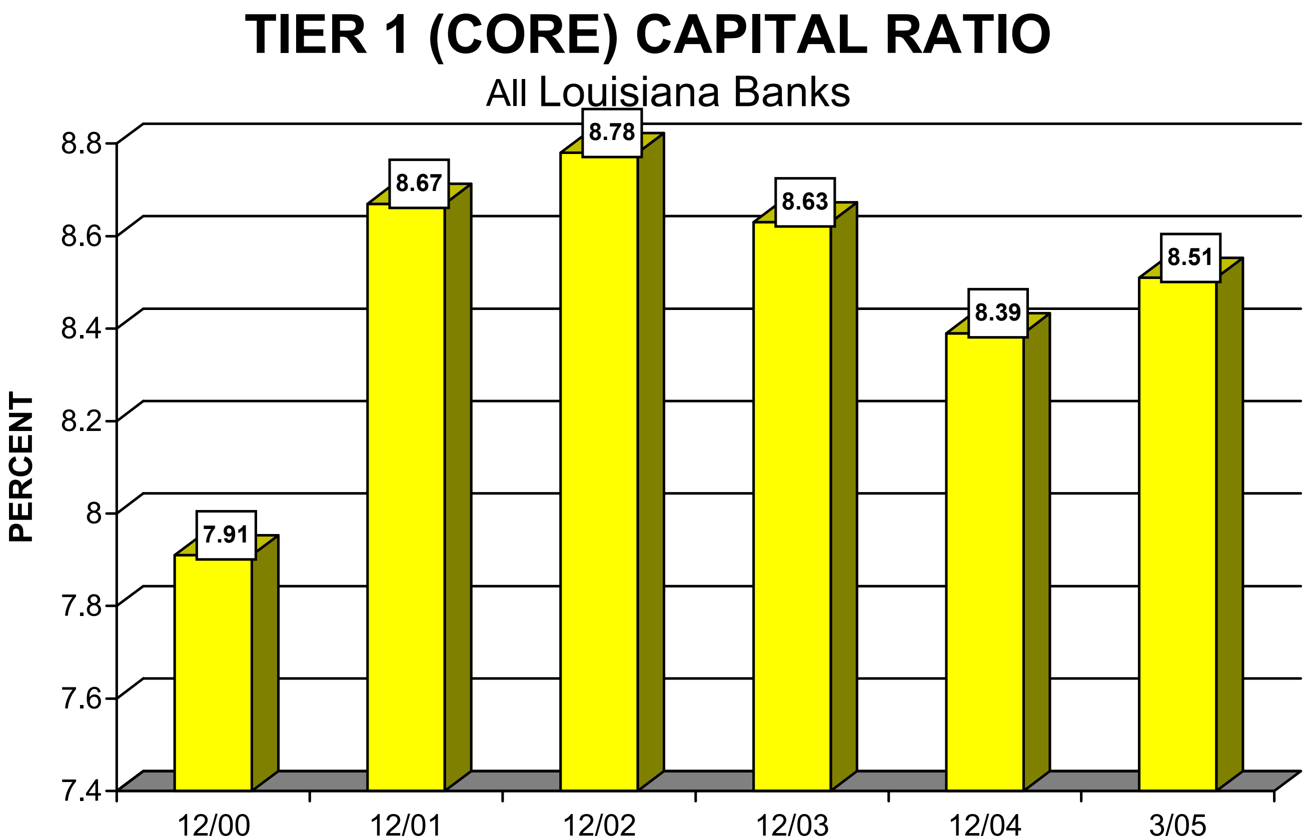


Figure 7

Tier 1 (core) capital increased slightly from $4.49 billion as of December 31, 2004, to $4.63 billion as of March 31, 2005. The Tier 1 (core) capital ratio increased from 8.39 percent as of December 31, 2004, to 8.51 percent as of March 31, 2005.

The significant increase in the Tier 1 (core) capital ratio during the first quarter of 2001 was due primarily to the consolidation of a large Louisiana national bank into an affiliated out-of-state national bank. Figure 7 illustrates the trend in the Tier 1 (core) capital ratio since year-end 2000.

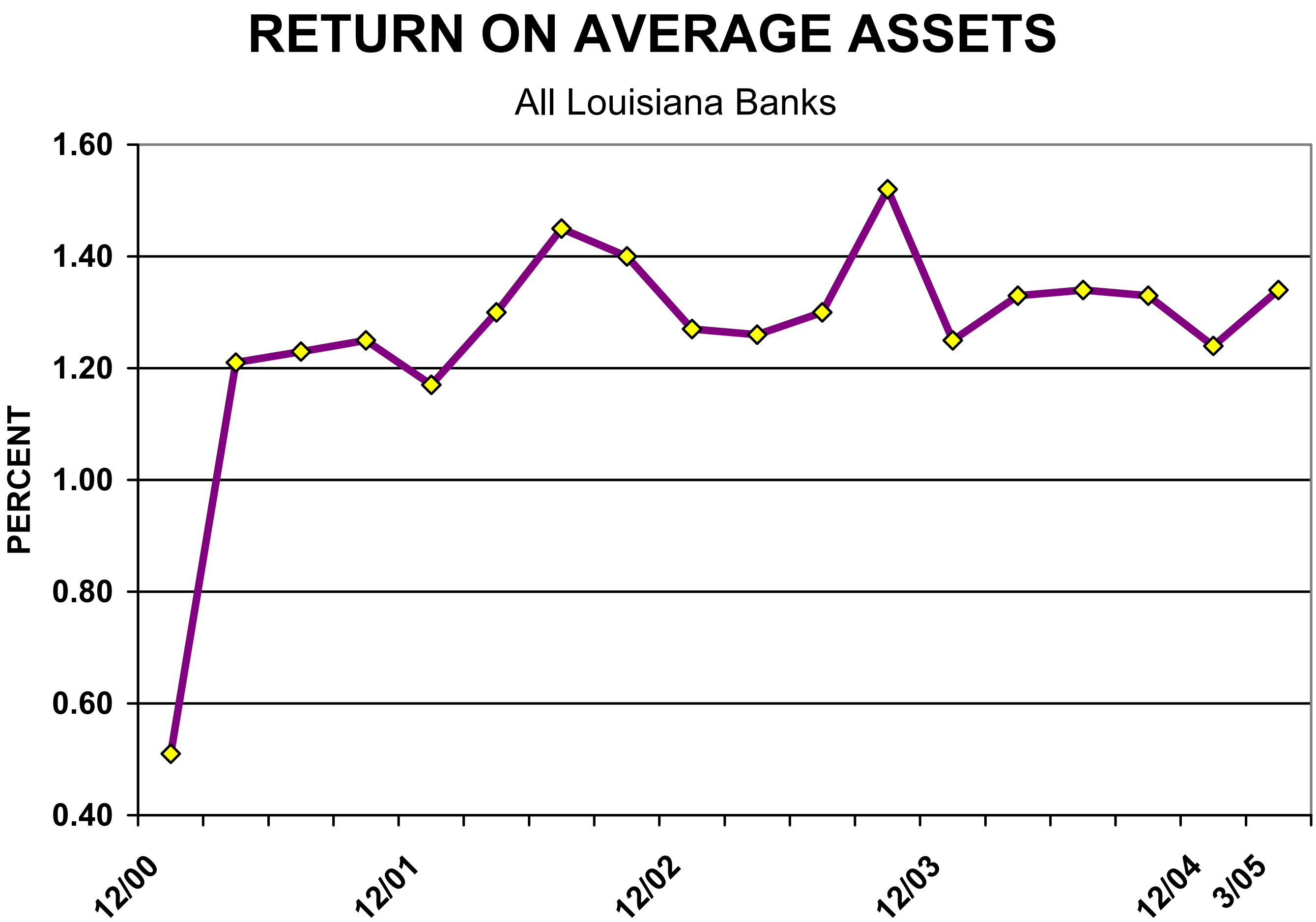


Figure 8

Earnings for the first quarter of 2005 increased somewhat from the previous quarter and remained strong. First quarter net income totaled $184 million, or a return on average assets of 1.34 percent annualized, as compared to $168 million, or a return on assets of 1.24 percent annualized, for the previous quarter. All but 3 Louisiana banks showed operating profits during the first quarter of 2005. High operating expenses and provisions for loan losses, combined with shrinking net interest margins, contributed to the operating losses at these banks.

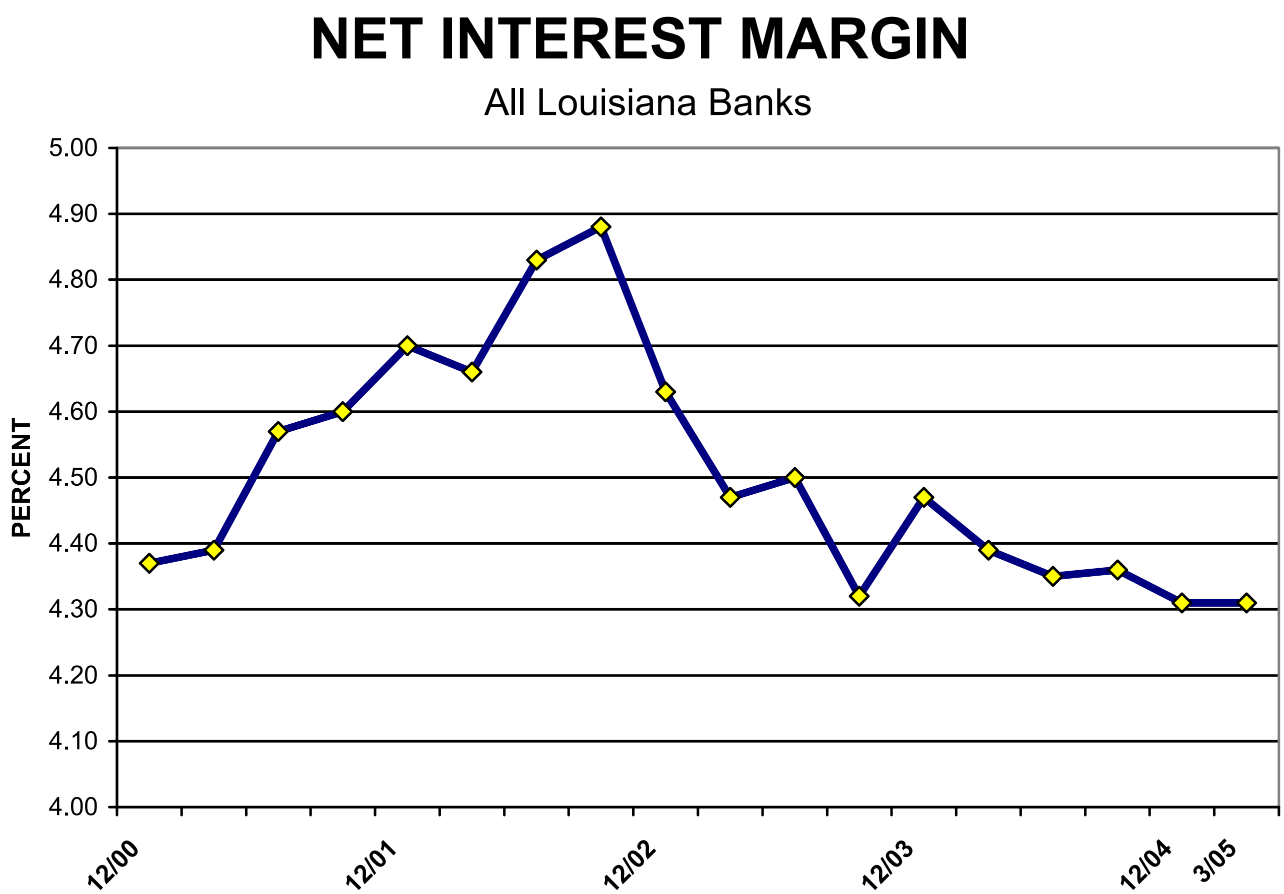


Figure 9

The industry's net interest margin remained constant at 4.31 percent during the first quarter of 2005. (Please refer to Figure 9.) The aggregate yield on earning assets increased from 5.69 percent to 5.79 percent, while cost of funds increased from 1.41 percent to 1.52 percent.

Operating expenses decreased during the first quarter of 2004, from 3.28 percent of average assets to 3.22 percent of average assets.

The industry showed a nominal net gain on the sale of securities during the first quarter of 2005, as during the previous quarter. Net losses on the sale of securities totaled $16 million for calendar year 2004.

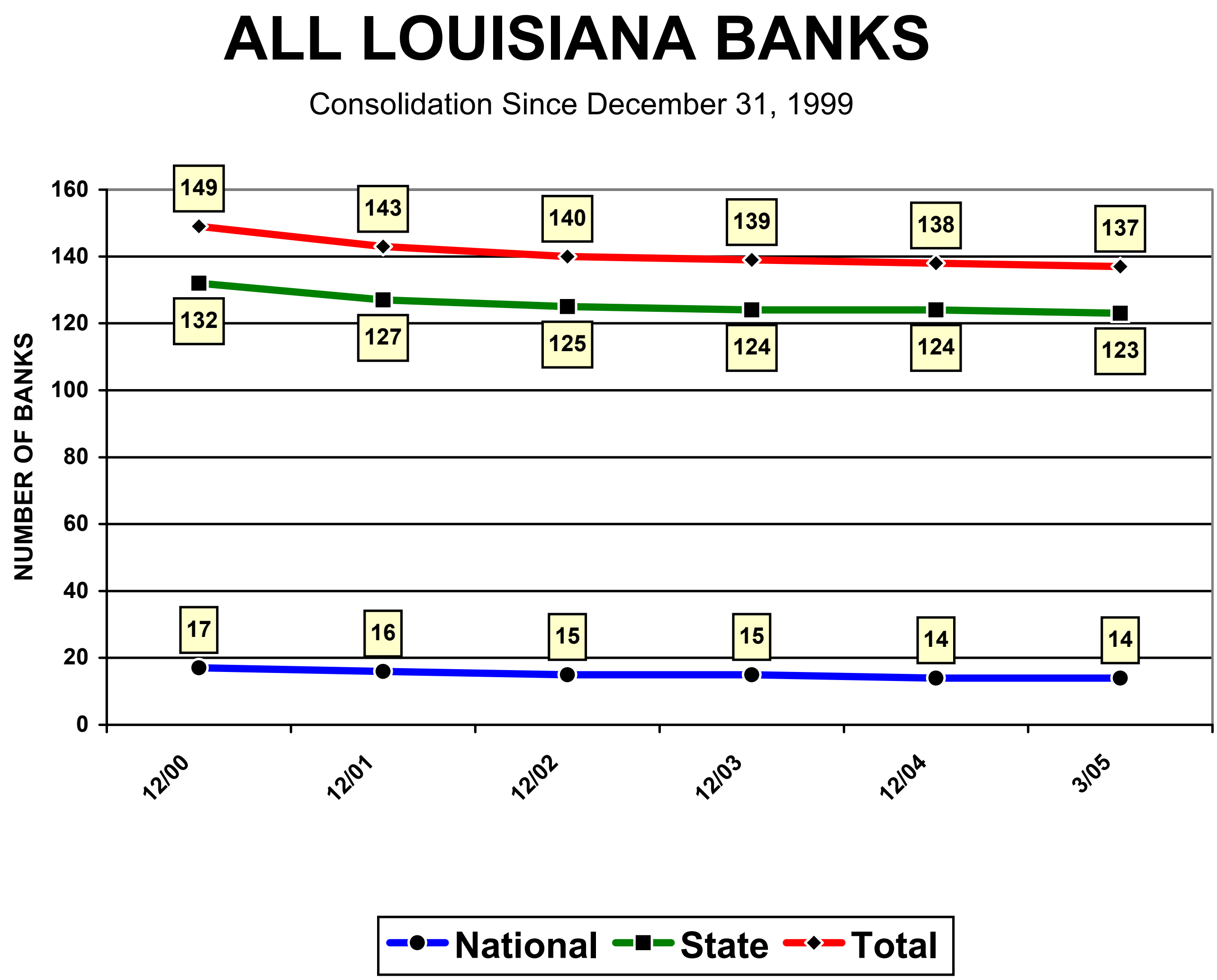


Figure 10

MERGERS AND ACQUISITIONS FOR THE QUARTER ENDED MARCH 31, 2005

During the first quarter of 2005, there was a transaction involving the merger of two Louisiana state-chartered banks. As of the writing if this report, there is a pending transaction involving the merger of a Louisiana state-chartered bank into a Mississippi state-chartered bank, with a transfer of assets totaling $112 million.

As of March 31, 2005, there were 137 commercial banks in Louisiana, which included 123 state-chartered banks. These state-chartered banks held assets totaling $22.51 billion, or 40.70 percent of the Louisiana banking industry's $55.30 billion in total assets. After completion of announced mergers, acquisitions, and conversions, there will remain 122 state-chartered banks holding 40.82 percent of the industry's assets and 14 national banks in Louisiana holding 59.18 percent of the industry's assets. Since December 31, 2000, the total number of banks in Louisiana has decreased from 149 to 137, or by 8.05 percent. Figure 10 illustrates the consolidation of the Louisiana banking industry during this time.

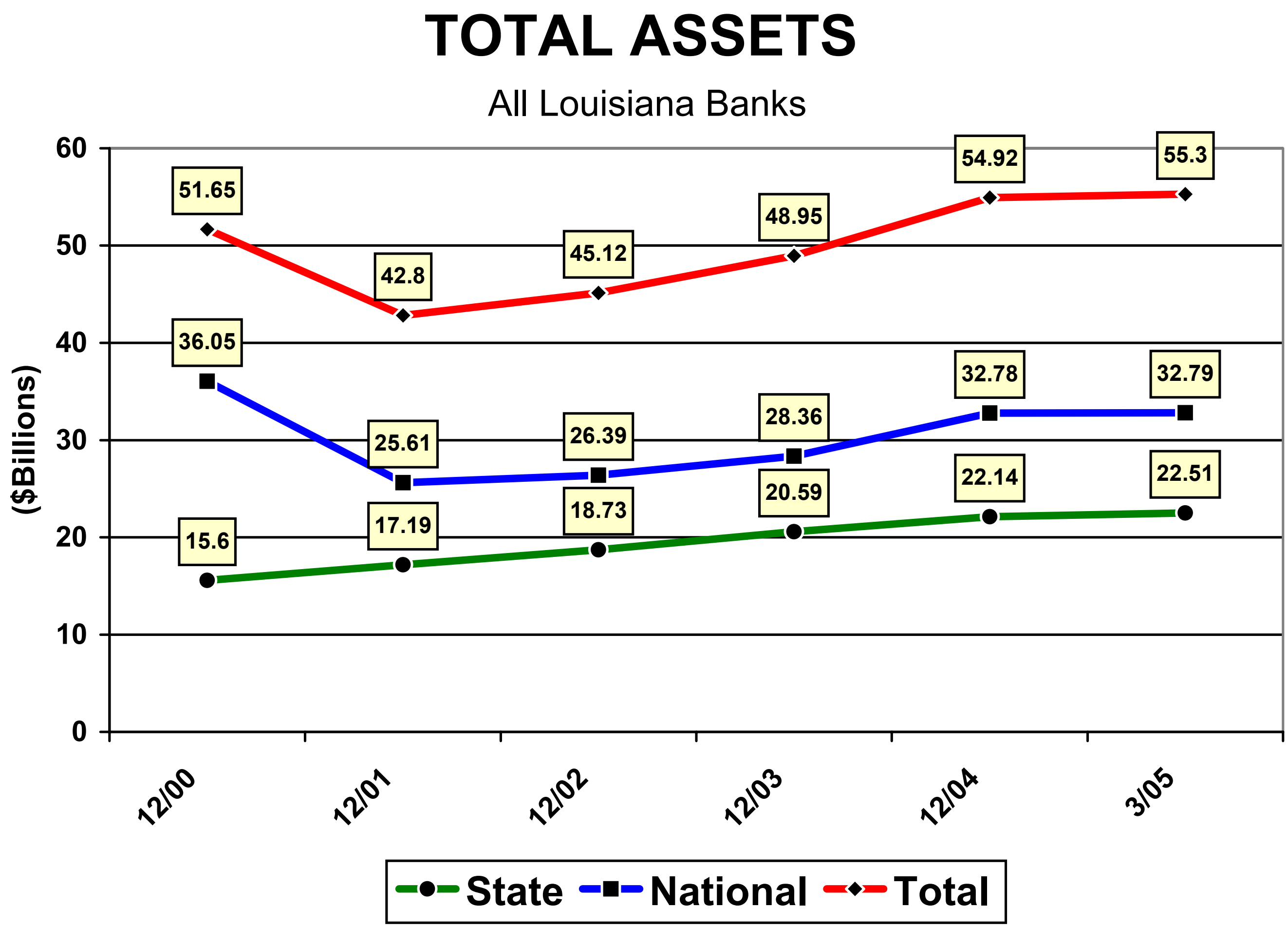


Figure 11

Total assets increased by 0.69 percent, from $54.92 billion as of December 31, 2004, to $55.30 billion as of March 31, 2005. With the exception of the first quarter of 2001, the first quarter of 2002, and the third quarter of 2003, total assets in Louisiana banks had trended upward the past several years despite industry consolidation. During February 2001, one Louisiana national bank with an out-of-state parent holding company was merged into an affiliated out-of-state national bank, with a transfer of assets totaling $11.53 billion. Figure 11 reflects the trend in total assets of state and nationally chartered banks in Louisiana during this timeframe.

As of March 31, 2005, two out-of-state bank holding companies had Louisiana bank subsidiaries with assets totaling $1.98 billion, or 3.58 percent of the industry's assets.

CAMEL RATINGS FOR LOUISIANA BANKS AS OF MARCH 31, 2005

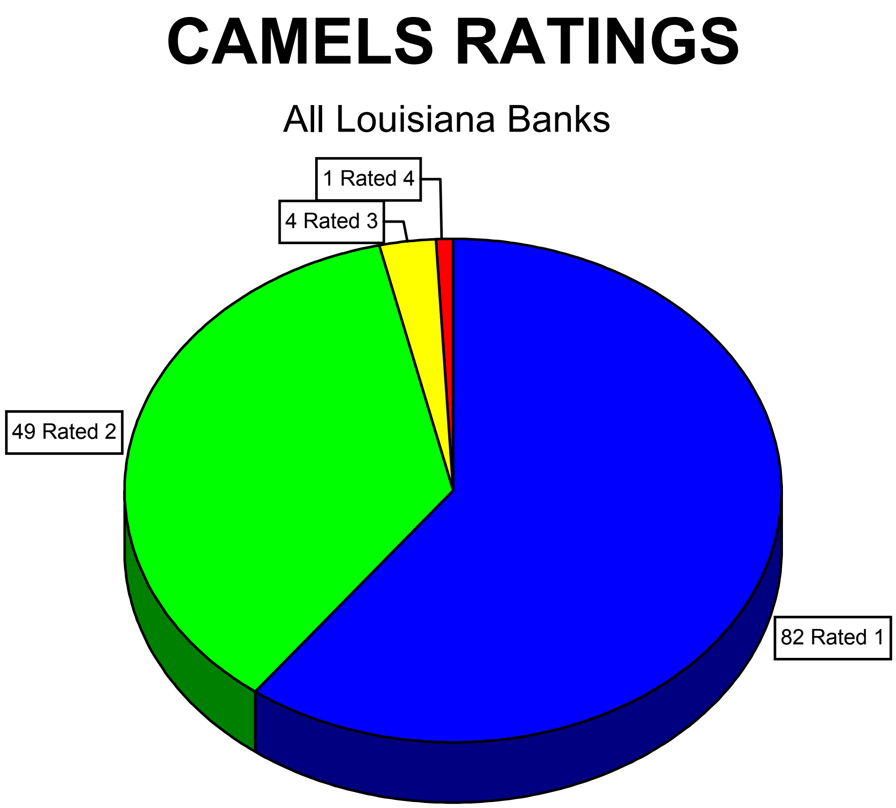


Figure 12

(Note: One de novo bank not yet rated.)

Figure 12 illustrates that, based on the CAMELS rating scale used by state and federal regulators, the financial condition of the Louisiana banking industry remains sound. (See page 24 for the rating definitions.) Approximately 96 percent of the banks in Louisiana have an overall rating of 1 or 2, the same as the previous quarter. Approximately 3 percent of the banks have an overall rating of 3, the same as the previous quarter. There is one bank rated a composite 4, the same as the previous quarter. There are no banks rated a composite 5, the same as the previous quarter.

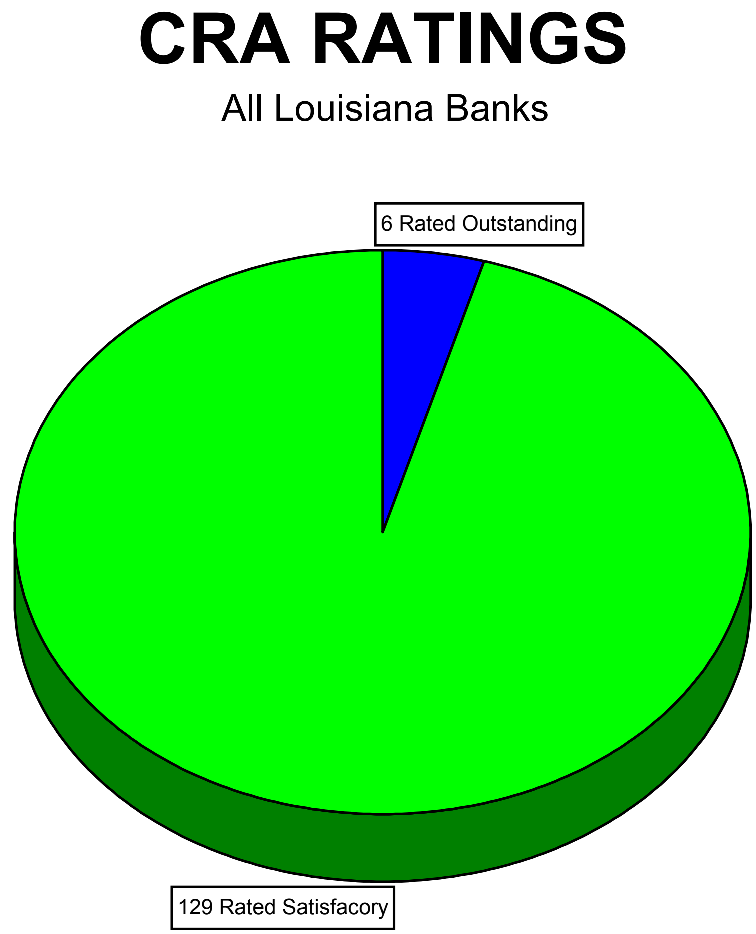


Figure 13

(Note: This chart does not include a bankers' bank since CRA ratings are not applicable, and one de novo bank not yet rated.)

As Figure 13 demonstrates, Louisiana banks continue to work aggressively to meet the challenges of the Community Reinvestment Act. All applicable Louisiana banks were rated Satisfactory or better at their last CRA examination. Also, there were no significant changes in CRA ratings during the quarter. The Federal banking agencies recently revised the regulations used to enforce the Community Reinvestment Act. These changes are intended to make compliance with and enforcement of these regulations less cumbersome, while moving to a system based on objective performance indicators.

LOUISIANA ECONOMY

The Louisiana economy continues its slow recovery, with good results in job growth and unemployment rates during the first quarter of 2005 and the past 12 months. The state had 1,931,500 non-farm jobs as of March 31, 2005, or an increase of 25,200 jobs since December 31, 2004; and an increase of 22,300 jobs since March 31, 2004. First quarter job gains were noted in the following economic sectors: professional and business services (+7,800); education and health services (+7,600); leisure and hospitality (+7,400); government (+4,400); financial activities (+3,400); construction (+1,100); other services (+1,000); and information (+100). First quarter job losses were noted in the following economic sectors: trade, transportation, and utilities (-3,100); natural resources and mining (-2,800); and manufacturing (-1,900).

Economic sectors that showed employment gains over the last 12 months include leisure and hospitality (+8,000); education and health services (+6,800); professional and business services (+5,500); financial activities (+4,000); government (+3,600); other services (+3,200); and construction (+2,000). Economic sectors with employment losses include manufacturing (-4,200); natural resources and mining (-4,200); trade, transportation, and utilities (-2,200); and information (-400).

The state's unemployment rate was 5.0 percent as of March 31, 2005, as compared to 5.6 percent as of December 31, 2004, and 5.5 percent as of March 31, 2004. The U.S. unemployment rate was 5.2 percent as of March 31, 2005, as compared to 5.4 percent as of December 31, 2004, and 5.7 percent as of March 31, 2004.

The price of light Louisiana sweet crude has continued its upward trend as follows: $35 per barrel at March 31, 2004; $43 per barrel at December 31, 2004; and $51 per barrel at March 31, 2005. As of the writing of this report, the price has spike back up to approximately $55 per barrel. The spike in oil prices over the past 12 months is due to the following situations: limited excess production capacity; the recent cold winter; the declining value of the dollar; instability in the Middle East; underlying fears about terrorism; labor unrest in Nigeria; political uncertainty in Russia and Venezuela; and rising demand in China, the United States, and developing countries.

During the first quarter of 2005, oil rig activity increased in Louisiana and the Gulf of Mexico. The Louisiana rig count was 185 at March 31, 2005, as compared to 170 at December 31, 2004, and 168 at March 31, 2004. The rig count in the Gulf of Mexico was 133 at March 31, 2005, as compared to 127 at December 31, 2004, and 108 at March 31, 2004. High oil and gas prices and improved recovery technologies are stimulating spending among Louisiana drilling firms, particularly those in the New Orleans area.

Real estate markets remained strong and increased somewhat during the first quarter of 2005 despite a gradual increase in interest rates. Building permits totaled 5,594 during the quarter ended March 31, 2005, as compared to 5,137 for the quarter ended December 31, 2004, and 4,615 for the quarter ended March 31, 2004.

Louisiana bankruptcy filings increased sharply during the first quarter of 2005 and remained high. A total of 7,554 bankruptcy cases were filed during the quarter ended March 31, 2005, as compared to 6,863 for the quarter ended December 31, 2004, and 7,179 for the quarter ended March 31, 2004. Gambling losses have been cited as a possible factor for these high numbers. In addition, some consumers may have “rushed to court” in anticipation of legislation tightening the federal bankruptcy law.

Louisiana’s economy is expected to continue to improve slowly as the national recovery gains momentum. Louisiana economist Dr. Loren Scott recently predicted that Louisiana would add 40,100 non-farm jobs over the two-year period 2005-2006; 17,600 of them in 2005 and 22,500 in 2006, for annual growth rates of 0.9

percent and 1.2 percent, respectively. He indicated that despite erosion of the state's chemical industry due to high natural gas prices and sluggish oil and gas exploration, Louisiana's economy will benefit from seven planned liquid natural gas terminals along its coastal areas, major shipbuilding projects around New Orleans, and steady growth in the health care and related services sector as baby boomers grow older. The state's population is expected to trudge along at a 0.3 percent annual growth rate, and personal income is expected to increase by 3.8 percent over the next two years.

After setting record crop yields during 2003, Louisiana's major crop yields declined in 2004 as a result of excessive rainfall during the spring and early summer. Crops with declines in production during 2004 include sorghum (-63%), sweet potatoes (-26%), corn (-17%), cotton (-14%), and sugarcane (-13%). Crops with increases in production during 2004 include soybeans (+30%), rice (+8%), and hay (+1%). Crop prices remained relatively flat across the board during 2004. The production of commercial livestock, red meat, shrimp, crawfish, and catfish declined in 2004.

Crop production projections for 2005 are mixed. Crops with projected increases in production include cotton (+24%), sorghum (+18%), hay (+8%), sweet potatoes (+6%), and rice (+2%). Crops with projected declines in production include wheat (-28), soybeans (-23%), and corn (-7%). As of the writing of this report, rainfall amounts in Louisiana were down for the year and were beginning to pose problems for Louisiana farmers. Heavy rainfall early in 2005 was followed by a long dry spell during the spring. The early rainfall delayed the planting of crops. Now that the crops are planted, the lack of rainfall is adversely impacting yields across the board.

There is both good news and bad news on the government front. Good news: The U.S. Department of Commerce has given preliminary approvals to tariffs on shrimp imports, which would significantly help prop up the price of shrimp in Louisiana. Bad news: The Bush administration's recent proposed budget includes cuts in various caps on subsidy payments which would adversely impact farmers in the South who rely on rice and cotton crops.

SUMMARY

Overall, Louisiana banks remain in sound financial condition. The first quarter of 2004 was characterized by an increase in total assets, deposits, and Tier 1 (core) capital. Core deposits as a percent of total deposits and borrowed money decreased slightly during the quarter. Earnings increased somewhat from the previous quarter and remained strong. Total Tier 1 (core) capital and the Tier 1 (core) capital ratio increased as Total Tier 1 (core) capital grew more than total assets. The Tier 1 capital ratio remains well above minimum regulatory requirements. Nonperforming assets and net chargeoffs decreased during the quarter. State and federal regulatory agencies will continue to closely monitor asset quality to ensure that banks adhere to sound underwriting guidelines and properly evaluate the adequacy of their loan loss reserves. In addition, more attention will likely be given to interest rate risk and the impact on earnings due to rising interest rates.

Bank CAMELS ratings and CRA ratings changed little during the first quarter of 2005 and continue to reflect favorably on the condition of the industry. Merger activity remained low during the first quarter.

LOUISIANA LAGNIAPPE

- The breakdown of Louisiana banks by asset category as of March 31, 2005, is as follows:

Asset Category	# of Banks	%	Total Assets *	%
Assets < $100 Million	66	48	$4,047,614	7
Assets $100 Million to $300 Million	50	36	8,294,617	15
Assets $300 Million to $500 Million	12	9	4,988,691	9
Assets $500 Million to $1 Billion	5	4	2,835,616	5
Assets $1 Billion to $10 Billion	3	2	12,943,940	24
Assets > $10 Billion	1	1	22,190,753	40
TOTAL ASSETS	137	100	$55,301,231	100

* Thousands

- The Small Business Job Protection Act, which became law on August 20, 1996, allows qualifying banks and other financial depository institutions to elect to be taxed as Subchapter S corporations. Subchapter S status can produce a tax savings of 25 to 40 percent by eliminating corporate-level federal income tax and, in many states, state income tax as well. The earnings are only taxed to the shareholders. However, Subchapter S banks must meet certain criteria to maintain their Subchapter S status. On October 22, 2004, President Bush signed the American Jobs Creation Tax Act of 2004 (AJC Act). Among other things, the AJC Act makes the following changes: it increases the maximum number of shareholders for Subchapter S corporations from 75 to 100; it allows all members of a family, defined to include up to six generations, to be considered one shareholder; it permits traditional and Roth IRAs to hold shares in a Subchapter S bank; and it permits distributions from an ESOP maintained by a Subchapter S corporation to repay certain loans. As of March 31, 2005, there were 39 Subchapter S banks in Louisiana with assets totaling $4.5 billion.

- On April 26, 2005, the Financial Crimes Enforcement Network (FinCEN), along with the federal banking agencies, issued interpretive guidance for banking organizations that provide services to Money Service Businesses (MSBs). This guidance clarifies the requirements of the Bank Secrecy Act (BSA) for banking organizations when providing banking services to MSBs and outlines the minimum steps that banking organizations should take in this regard. Additionally, this guidance provides assistance to banking organizations in assessing and minimizing the risk of money laundering posed by individual MSB customers. While banking organizations are expected to manage risk associated with these accounts, they will not be held responsible for MSB compliance with the BSA and other applicable federal and state laws and regulations. For a complete text of this guidance, please review *FIL-32-2005 (Interagency Guidance on Providing Banking Services to Money Services Business Operating in the United States)* on the Federal Deposit Insurance Corporation (FDIC) website at http://www.fdic.gov.

FINANCIAL CONDITION OF LOUISIANA THRIFTS AS OF MARCH 31, 2005

As of March 31, 2005, there were 28 thrifts operating in Louisiana, made up of 18 federally-chartered savings associations, 8 state-chartered savings associations, and 2 state-chartered savings banks. During the first quarter of 2005, two state-chartered savings associations converted to federal savings bank charters. Total assets in Louisiana thrifts increased during the first quarter of 2005, from $4,855,694,000 as of December 31, 2004, to $4,864,216,000 as of March 31, 2005, an increase of 0.18 percent. However, all major asset categories except total loans and leases decreased during the quarter. Total loans and leases increased from $2,946,045,000 to $2,977,335,000, or by 1.06 percent. Cash decreased from $205,917,000 to $193,091,000, or by 6.23 percent. Federal funds sold decreased from $17,795,000 to $17,126,000, or by 3.76 percent. Total securities decreased from $1,469,926,000 to $1,454,788,000, or by 1.03 percent. On the liabilities side, total deposits increased from $3,555,010,000 to $3,573,340,000, or by 0.52 percent; and borrowed money decreased from $650,212,000 to $627,631,000, or by 3.47 percent.

The ratio of loans to deposits increased during the first quarter of 2005, from 82.87 percent to 83.32 percent, as total loans and leases increased more than total deposits. The ratio of investments to total assets decreased during the first quarter of 2005, from 30.27 percent to 29.91 percent.

Tier 1 (core) capital increased during the first quarter of 2005, from $615,840,000 as of December 31, 2004, to $631,245,000 as of March 31, 2005, or an increase of 2.50 percent. The Tier 1 (core) capital ratio increased during the quarter, from 12.74 percent to 13.03 percent, as Tier 1 (core) capital increased more than total assets.

Problem assets decreased during the first quarter of 2005, from $24,950,000 as of December 31, 2004, to $23,461,000 as of March 31, 2005, a decrease of 5.97 percent. The ratio of problem assets to total assets decreased from 0.51 percent to 0.48 percent. Net chargeoffs decreased during the first quarter of 2005, from $601,000 to $405,000. The ratio of net chargeoffs to total loans decreased from 0.08 percent as of December 31, 2004, to 0.05 percent as of March 31, 2005.

Loan loss reserves decreased during the first quarter of 2005, from $20,867,000 as of December 31, 2004, to $20,826,000 as of March 31, 2005. The ratio of loan loss reserves to total loans decreased slightly from 0.71 percent as of December 31, 2004, to 0.70 percent as of March 31, 2005. Loan loss provisions decreased significantly during the first quarter, from $826,000 to $382,000.

Earnings for the first quarter of 2005 were satisfactory and increased somewhat from the previous quarter, due primarily to a substantial increase in net income margin. First quarter net income totaled $8,698,000, or a return on average assets of 0.72 percent annualized, as compared to $8,017,000, or a return on assets of 0.67 percent annualized, for the previous quarter. The industry's net interest margin increased significantly during the first quarter of 2005, from 3.00 percent to 3.33 percent, reversing a recent trend of net interest margin compression. The aggregate yield on earning assets increased significantly from 5.01 percent to 5.54 percent, while cost of funds increased from 2.13 percent to 2.34 percent. Operating expenses increased during the first quarter of 2005, from 2.30 percent of average assets to 2.53 percent of average assets. The industry showed a gain of $93,000 on the sale of securities during the first quarter of 2005, as compared to a loss of $178,000 during the previous quarter. All Louisiana thrift showed operating profits for the first quarter of 2005 and the year 2004.

Based on the CAMELS rating scale in use by state and federal regulators, the financial condition of the Louisiana thrift industry remains sound. (See page 24 for the rating definitions.) As of March 31, 2005, approximately 57 percent of thrifts had a composite CAMELS rating of 1, the same as the previous quarter. Approximately 39 percent of thrifts had a composite CAMELS rating of 2, as compared to 43 percent the previous quarter. One thrift, representing 4 percent, had a composite CAMELS rating of 3; as compared to none the previous quarter. There were no thrifts rated 4 or 5 as of March 31, 2005, the same as the previous quarter. (Please refer to Figure 14.)

Louisiana thrifts continue to work aggressively to meet the challenges of the Community Reinvestment Act (CRA). All Louisiana thrifts were rated Satisfactory or better at their last CRA examination. (Please refer to Figure 15.)

CAMEL RATINGS FOR LOUISIANA THRIFTS AS OF MARCH 31, 2005

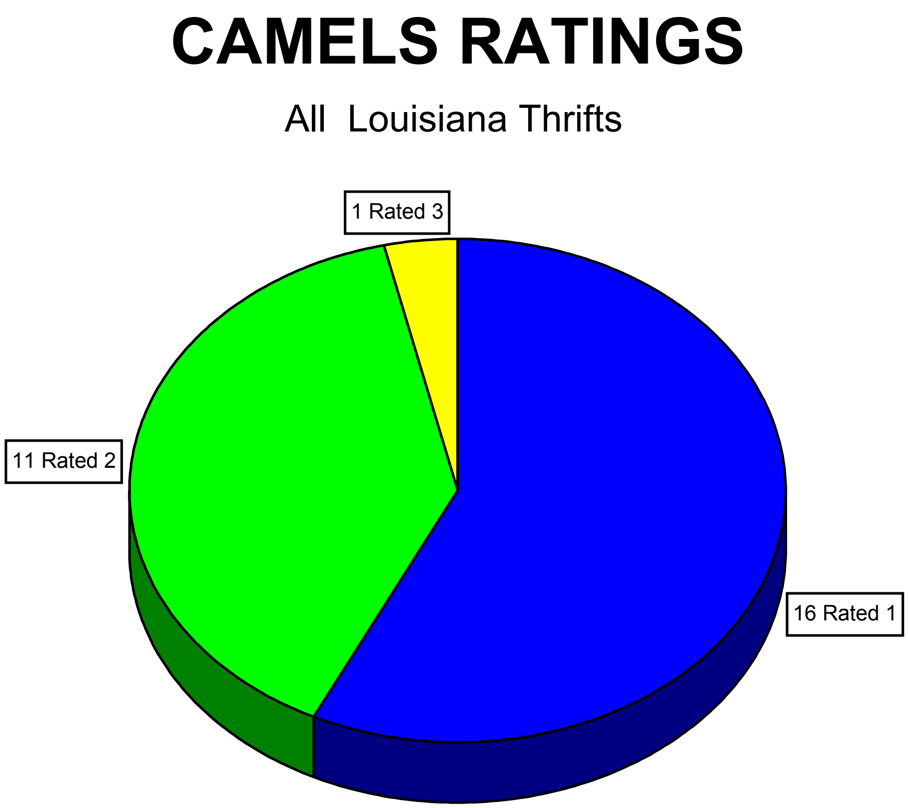


Figure 14

CRA RATINGS FOR LOUISIANA THRIFTS AS OF MARCH 31, 2005

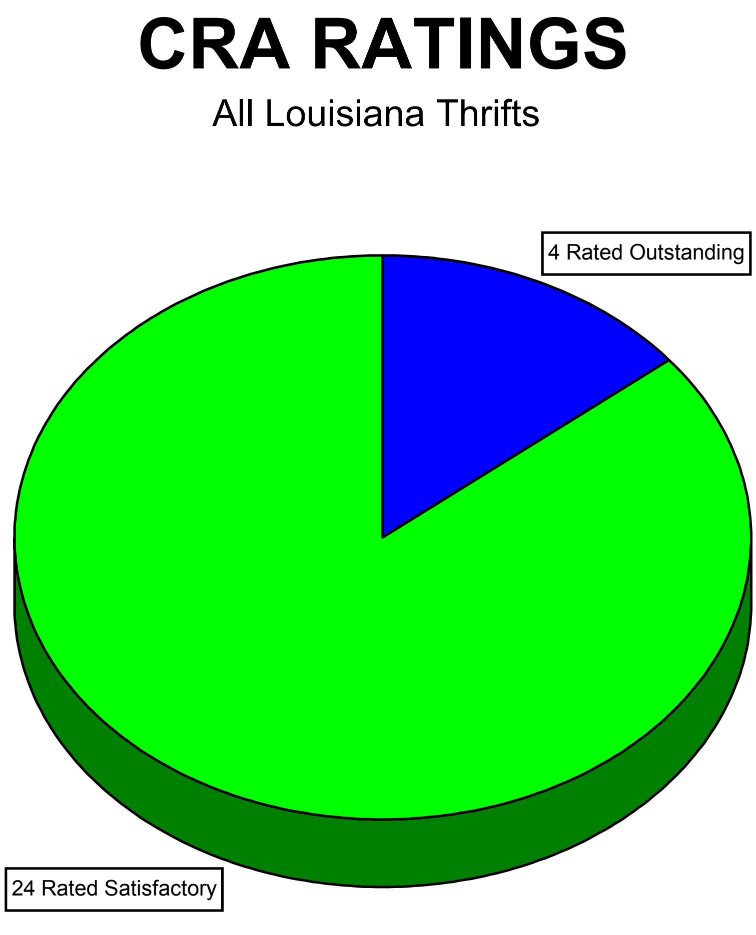


Figure 15

UNIFORM FINANCIAL INSTITUTIONS RATING SYSTEM (UFIRS)

Under the UFIRS, each financial institution is assigned a composite rating based on an evaluation a rating of six essential components of an institution's financial condition and operations. These component factors address the adequacy of capital, the quality of assets, the capability of management, the quality and level of earnings, the adequacy of liquidity, and the sensitivity to market risk. The rating scale ranges from 1 to 5, and the composite ratings are defined as follows:

Composite 1

Financial institutions in this group are sound in every respect. Any weaknesses are minor and can be handled in a routine manner by the board of directors and management.

Composite 2

Financial institutions in this group are fundamentally sound. Only moderate weaknesses are present and are well within the board of directors' and management's capabilities and willingness to correct.

Composite 3

Financial institutions in this group exhibit some degree of supervisory concern in one or more of the component areas. These financial institutions exhibit a combination of weaknesses that may range from moderate to severe.

Composite 4

Financial institutions in this group generally exhibit unsafe and unsound practices or conditions. There are serious financial or managerial deficiencies that result in unsatisfactory performance. The problems range from severe to critically deficient.

Composite 5

Financial institutions in this group exhibit extremely unsafe and unsound practices or conditions; exhibit a critically deficient performance.